

Missouri Clean Water Commission Teleconference Meeting
Lewis and Clark State Office Building
Gasconade Camp Conference Room
1101 Riverside Drive
Jefferson City, Missouri
January 26, 2007

Emergency Rule on Disbursement of State Bond Proceeds

Issue: It has recently come to light that changes in IRS regulations may affect the state's ability to fully utilize all proceeds from the 2001 and 2002 issue of state Water Pollution and Storm Water Control bonds, which are used to fund water, wastewater and storm water infrastructure. Because the new regulations require that 90% of the proceeds be disbursed within three years, Missouri runs the risk of having to forfeit the remaining balances to avoid IRS noncompliance. Currently there is about \$16 million in three state accounts. Almost all of the funds are assigned to qualifying projects or entities, however the department's current regulations prevent disbursement in time to satisfy IRS regulations. Therefore, the department is proposing an emergency rule to change its disbursement process to expedite distribution of funds to eligible communities.

Recommended Action: The program recommends that the commission approve the proposed emergency rule amendments and direct staff to proceed with filing.

Suggested Motion Language: I move that the Clean Water Commission adopt the emergency rule amendments (as drafted/with changes) and direct staff to file the rules with the Joint Committee on Administrative Rules and the Secretary of State.

Attachments:

- 1) Emergency Amendment 10 CSR 20-4.023 State Forty Percent Construction Grant Program
- 2) Emergency Amendment 10 CSR 20-4.030 Grants for Sewer Districts and Certain Small Municipal Sewer Systems
- 3) Emergency Amendment 10 CSR 20-4.061 Storm Water Grant and Loan Program